

Tax expenditure analysis of Slovenian income taxes

Klun, Maja

Source / Izvornik: **Skrivena javna potrošnja: sadašnjost i budućnost poreznih izdataka, 2012, 21 - 31**

Conference paper / Rad u zborniku

Publication status / Verzija rada: **Published version / Objavljena verzija rada (izdavačev PDF)**

<https://doi.org/10.3326/bpi.2012.4>

Permanent link / Trajna poveznica: <https://um.nsk.hr/um:nbn:hr:242:131809>

Download date / Datum preuzimanja: **2024-12-06**



Repository / Repozitorij:

[Institute of Public Finance Repository](#)

TAX EXPENDITURE ANALYSIS OF SLOVENIAN INCOME TAXES

MAJA KLUN

UNIVERSITY OF LJUBLJANA, FACULTY OF ADMINISTRATION

JEL CLASIFICATION: H20

doi: 10.3326/bpi.2012.3

ABSTRACT

Definitions of the concept of tax expenditure have differed over time and among proponents of different theories. Tax expenditure analyses have been an important element in the supervision of reform processes linked to implementing different kinds of tax incentive and for managing a correct tax policy. The paper provides an evaluation of tax expenditure in Slovenia relating to personal income tax and corporate income tax. Three tax years were selected for the calculation of the tax expenditure for personal income tax (2006, 2008 and 2009), while three consecutive years were selected for the corporate income tax calculation (2008-2010). The tax expenditure calculated for personal income tax was highest in 2008, however the level was relatively low for all three years, not even reaching 0.5% of total personal income tax collected. The tax expenditure calculated for corporate income tax was lower compared to GDP as for personal income tax, reaching 0.6% in 2010, though in 2008 it was almost 0.8% of GDP.

Keywords: tax expenditure, tax allowances, personal income tax, corporate income tax, Slovenia

1 INTRODUCTION

There is a wide range of definitions of tax expenditures. The US Budget Act defines them as “revenue losses attributable to provisions of the Federal tax laws which allow special exclusion, exemption, or deduction from gross income or which provide special credit, a preferential rate of tax, or deferral of tax liability” (Joint Committee on Taxation, 2011). The OECD define them “as transfer of public resources that is achieved by reducing tax obligations with respect to a benchmark tax, rather than by direct expenditure” (Commission on Taxation, 2009). Some authors (i.e. Fiekowsky, 1980) argue that tax expenditure should include only tax provisions that substitute potential spending programs. Brown (2004) defined them “as concessions designed to provide a benefit for a specific activity or class of taxpayer”. Different definitions are found across countries, with definitions for Canada, US, Netherlands and Belgium presented in Toder (2005). The definitions have also differed through history and not only between countries and different theoreticians and researchers.

The overriding reason for the existence of tax expenditure lies in distortions of the market, to promote specific investment or consumption, to manage appropriate fiscal policies and for redistributive effects. Care must be taken to ensure their use is effective, stable and simple (Commission on Taxation, 2009). In contrast, there may also be undesirable effects of tax expenditure. Promoting specific actions through tax incentives (and hence increasing tax expenditure) can lead to the tax system becoming instable and complex (Toder, 2005) and economically inefficient (Surrey and McDaniel, 1985). This increases tax compliance costs,

which can have a series of negative impacts, including the inefficient use of resources. Some tax expenditure could be replaced by direct transfers from the budget and is therefore only an alternative for the same objective of a specific policy. The definition of tax benefits for specific groups must include close attention to the frequently regressive nature of tax expenditure, which means that tax incentives usually have greater positive effects for those with higher incomes (Huang and Shaw, 2009).

Tax expenditure analyses have been an important element in the supervision of reform processes linked to implementing different kinds of tax incentive and for managing a correct tax policy (Surrey, 1973). The first reports on tax expenditure analyses were published in the 1960s in Germany and the United States, followed later by analyses in other developed countries (Commission on Taxation, 2009). Countries differ in the number of tax allowances they offer, as well as their amount and form. Tax expenditure in the US for the 2007 income tax were estimated at USD 760.5 billion, while tax expenditure for companies was estimated at USD 105 billion for 2008 (Huang and Shaw, 2009). An extrapolation from 2011 data offers an estimate of tax expenditure for income tax in the United States for 2012 to 2016 at USD 4749.6 billion (Poterba, 2011). In Belgium tax expenditure for 2011 income tax was evaluated at EUR 19.4 billion, while a negative tax expenditure of EUR 15 billion was actually recorded because of the economic crisis, although a year before it had stood at EUR 22.8 billion (Chambre des Représentants de Belgique, 2011). A broad review of tax expenditure from selected OECD articles indicates that they are relatively high. In the UK tax expenditure for income tax was assessed at 8.3% of GDP in 2006-2007, while in Sweden it was assessed at 10% of collected tax revenues across a range of tax policies. In the Netherlands in 2006 they stood at 1.1% of GDP for income tax, with the highest being those relating to business, with total tax expenditure assessed at 2% of GDP, while in Germany it was 0.74% of GDP (OECD, 2010). Bratić and Urban (2006) assessed the loss to the Croatian budget due to corporate income tax allowances at 481.3 million kuna (EUR 64.2 million) in 2004, and at 3.7 billion kuna (EUR 0.494 million) for personal income tax, just for the national budget. It must be remembered that different countries use different methodologies and approaches in assessing tax expenditure, but that also reflects their significance and makes them an important element in decision-making on further tax measures.

The purpose of this paper is to assess tax expenditure in Slovenia for two taxes on income, personal income tax and corporate income tax. The paper first presents the reform process with an emphasis on the tax allowances for these two taxes, followed by an analysis of the use of tax allowances for both taxes over the selected period and evaluated amounts for them.

2 REFORM PROCESSES IN SLOVENIA LINKED TO TAX ALLOWANCES ON INCOME TAXES

2.1 PERSONAL INCOME TAX

Personal income tax in Slovenia applies to an individual's income, of which there are six categories:

- income from employment (salary, incentives, income earned under contracts for temporary work, pensions and other receipts)
- income from self-employment
- income from agriculture and forest businesses (cadastral income of farmland and woodland)
- income from lending property and delivery of property rights
- income from capital
- other income (i.e. gifts).

Each individual is treated as a separate taxpayer. The tax year is the calendar year. Advance tax payments are made during the tax year. Those paying taxable income are required to calculate and pay an advance tax payment for the taxpayer.

A fundamental tax reform started in Slovenia in 2004 with changes in the taxation of income for individuals and businesses. A number of corrections and other amendments to these tax codes soon followed. The amendments to the taxation of personal income year by year are presented below. The 2004 changes in legislation, which came into effect in 2005, introduced the following major changes to income tax (Čok, 2007):

- Expansion to include global income (i.e. the taxation of income earned at home and abroad), and some other forms of income, such as interest on savings, staff stipends, selected bonuses
- A reduction in the percentage of direct tax relief from 3% to 2%, and a reduction of standardised costs on certain types of income (e.g. copyright and rental income)
- A reduction in the number of tax brackets from 6 to 5, and a reduction in the lowest marginal tax rate from 17% to 16%
- Definition of fixed amounts of tax relief in advance (previously the scale and levels of relief were linked to percentages of average gross wage).

The next major overhaul of personal income tax in Slovenia occurred in 2007, with modifications in 2008 (Klun, 2011):

- Expansion of the tax base: taxation of global income and addition of new revenues (interest, agricultural subsidies)
- Increase in expenses: increase in standardised expenses for agriculture and supplementary agriculture activity (under set conditions) from 25% to 70%
- Definition of fixed level income for beekeepers. Instead of standardised expenses, beekeepers are defined a fixed level of income per hive of EUR 20, according to the number of hives.
- Raising of threshold defining the base for standardised expenses: the threshold for self-employed income over the past 12 months was raised to EUR 42 000.
- Allowances: non-standard allowances were cancelled. The non-standard allowances that applied until 2007 included the following expenses: assets invested in securities, premiums for voluntary supplementary health insurance, purchase of medicines and medical and orthopaedic devices, voluntary contributions for various purposes, for investments relating to housing, for the purchase of artworks and literature, for school fees and purchase of textbooks and academic literature (also for dependent children), for internet connection, and for membership fees for political parties and trade unions. In 2008 there was an additional general allowance for people with low incomes.
- Schedular taxation or final income tax on interest, dividends and capital profits: these forms of income were no longer taxed progressively from 2006, but with a single, final tax rate of 20% (reduced for capital gains by 5 percentage points for each 5 years of ownership of capital).

Since the purpose of this paper is linked primarily to changes in allowances, allowances are given for 2006, 2008 and 2009. These years were selected because in-depth changes took place between 2006 and 2008, with the ending of non-standard allowances, while 2009 was the last year for which data are currently available, since the analysis of 2010 personal income tax data had not yet been concluded at the time of writing. In 2010 a further allowance was introduced to income tax, an allowance of EUR 7112 for work migrants who return to Slovenia at least once a week. This allowance is not included in the analysis.

All allowances, except pension-related, reduce the tax base, while the pension-related allowance reduces the tax obligation (tax credit).

Table 1
Amount and type of allowances for personal income tax in Slovenia (for 2006, 2008 and 2009)

| | 2006* | 2008 | 2009 |
|--|---|--|---|
| General personal allowance | 2521.82 | 2959.60 for independent members + 2000 for income up to EUR 8300 + 1000 for income from EUR 8301 to EUR 9600 | 3051.35 for independent members + 2062 for income up to EUR 8557.30 + 1031 for income from EUR 8557.30 to EUR 9897.60 |
| Disabled people with 100% disability | 14662.50 | 15824.35 | 16314.90 |
| Cultural workers, journalists, sports-people | 15% up to EUR 25 037.56 | 15% of income or a max. EUR 25 000 | 15% of income, max. EUR 25 000 |
| Temporary student work | 5112.67 (if total income not higher than EUR 6676.68) | 2959.60 | 3051.35 |
| Over 65s | 1172.93 | 1273.69 | 1313.17 |
| Pensioners | 14.5% of assessed pension | 13.5% of assessed pension | 13.5% of assessed pension |
| Allowance for dependent family members** | 2023.34 | 2183.76 | 2251.46 |
| Supplementary pension insurance | 2340.75 | 2526.23 | 2604.54 |
| Non-standard allowances | 2% of the base + 4% for housing | - | - |

* values converted from Slovenian tolar

** the value for first dependent member is given, the value increases for each subsequent member

Source: Tax Administration of the Republic of Slovenia, 2011

2.2 CORPORATE INCOME TAX

Corporate income tax is levied on the taxable profit of private companies at a rate of 20%. Taxable net profit is defined as revenue minus expenditure according to the income statement. The maximum depreciation rates are determined by law and the taxpayer can choose the method of valuing inventories. All legal entities carrying out commercial activities and with registered office in Slovenia are subject to corporate income tax. Corporate income tax is payable during the fiscal year which is the same as the calendar year. A taxpayer can decide on a fiscal or tax year that is different from the calendar year, following which the tax year cannot be changed for five years. Tax payments must be made in advance (monthly or quarterly) proportionate to the level of the tax base in the latest assessment. Tax returns must be submitted to the tax administration by 31 March for the preceding year, or within three months of the conclusion of the selected tax year.

Corporate income tax is a tax that, similarly to income tax, underwent significant amendments in 2004 (Corporate Income Tax Act, ZDDPO-1, Official Gazette of the Republic of Slovenia, 40/04), with most provisions entering into force in 2005. The previous 'tax on corporate profits' underwent a name change, and the main changes increased the tax base of most companies. In 2006 the tax was subject to some minor modifications, primarily more beneficial recognition of amortisation and depreciation and benefits following a change in accounting policies. The loss-covering period was also changed from 5 to 7 accounting periods. Since 2007 amortisation and depreciation rates and tax rates were reduced (ZDDPO-2, OGRS, 117/06).

Throughout the reform process, changes largely only occurred to the level of allowances, with a few rare exceptions that were introduced and later abolished. Permanent examples of allowances include the allowance for employment of people with disabilities and the allowance for grants, and since the introduction of the three-pillar pension system, the allowance for pension saving by employees in the second pillar (pension schemes). Practically throughout, the system has also had an allowance for investments, though its content has changed (i.e. which investments are permitted) as well as its level. In 2007 a further limit on the level of the allowance was added. For a brief period that allowance was also cancelled, however it was reintroduced with retroactive application, so it was effectively applicable throughout. In 2006 a new allowance was introduced for investment in research and development, which has been increased over the years. A 2007 innovation was the allowance for introducing practical knowledge to an organisation. The allowance for employment of unemployed people was introduced in 2006, together with the allowance for employment of doctorate-holders who had not previously worked outside academia, but both allowances were effectively cancelled within one year. The allowance for employment was reintroduced in 2009 as an employment incentive during a period of increasing unemployment. In 2010 an allowance came into force for payments to employees as participation in profit under set conditions, as well as two regional allowances offering incentives for the Pomurje region, and were only valid there. All forms of tax relief within corporate income tax were in the form of tax allowances, i.e. as tax base deductions. Allowances cannot exceed the tax base.

In 2010 taxpayers could benefit from the following allowances:

- Allowance of 40% for investment in internal research and development and for purchase of research and development services. For taxpayers who are self-employed in less-developed areas of the country, the allowance may increase to 50 or 60%.
- Allowance of 70 or 100% for profit paid to employees.
- Allowance for employment of disabled people: 50% to 70% (if involving person with 100% disability or deaf) of disabled persons' salary.
- Employment allowance: 45% of salary of new employees aged under 26 or over 55 and registered unemployed for at least 6 months.
- Allowance for practical work as part of professional education: amount of payment or a maximum of 20% of average monthly salary in slovenia for each month of an individual's practical work in professional education.
- Allowance for voluntary supplementary pension insurance: taxpayer financing a collective insurance pension plan.
- Investment allowance: 30% of investment in equipment or intangible assets (including buses with a euro iv engine and freight vehicles with a euro v engine), to a maximum of eur 30.000.
- 0.3% of taxed income for grants for humanitarian, charity, academic, educational sport, cultural, ecological and religious purposes and 0.2% of tax income for the taxpayers accounting period for amounts paid in cash and in kind for cultural purposes and for

similar payments to voluntary organisations founded to protect against natural and other disasters and operating in the public interest, if these societies are located in slovenia or an eu member state, except for payments to the business units of entities with eu member state residence that are located outside eu member states. The taxpayer may reduce the tax base by the allowance amount over the following three accounting periods, if a grant is over 0.2% of the taxed income.

- Allowances for regional support to the pomurje region. These two allowances are temporary and apply to the period 2010-2015:
 - Employment allowance of 70% of employment costs for a person employed for at least one year.
 - Investment allowance of 70% of the invested sum for new investments in equipment and intangible assets.

Table 2*Corporate income tax allowances (2008-10)*

| | 2008 | 2009 | 2010 |
|--|---|---|--|
| Investment allowance | 20% (max. amount EUR 20 000) | 30% (max. amount EUR 30 000) | 30% (max. amount EUR 30 000) |
| R&D allowance | 20% (up to 40% in less developed regions) | 20% (up to 40% in less developed regions) | 40 % (up to 60% in less developed regions) |
| profit payment to employees | - | - | 70% or 100% profit payment |
| Allowance for employment of disabled people | 50% to 70% of salary paid | 50% to 70% of salary paid | 50% to 70% of salary paid |
| Allowance for practical work as part of professional education | 20% of average monthly salary | 20% of average monthly salary | 20% of average monthly salary |
| Allowance for voluntary supplementary pension insurance | Set max. amount, reviewed annually | | |
| Grant allowance | 0,3+0,2% | 0,3+0,2% | 0,3+0,2% |
| Employment allowance | - | - | 45 % of salary paid |
| Allowances for Pomurje region | - | - | 70% of employment costs and 70% of investments |

Source: TARS, 2011

The tax rate, which has changed over the observed period, also plays an important role in the level of corporate income tax expenditure. In 2008 the tax rate for corporate income tax was 22%, while in 2009 it was 21% and 20% from 2010 onwards.

3 TAX EXPENDITURE ANALYSIS FOR SLOVENIA

3.1 METHODOLOGY

The value of tax expenditure in Slovenia for income tax was calculated on the basis of a number of assumptions. The calculation includes allowances only, and not standardised expenses. For several forms of income, Slovenian legislation has a provision for part of that income not being taxed by recognising standardised expenses for acquisition of that income.

Standardised expenses of 10% are recognised on all contract income (work contracts, copyright fees if not derived from employment, student work), while taxpayers can only claim higher expenses if evidenced by appropriate documentation. Up to 40% expenses can be recognised for rent, and under certain conditions the self-employed may claim standardised expenses up to 25% of their income (but not more than EUR 25 000), and as much as 70% for a specific group. Since most taxable income derives from salary or pay and pensions, these amounts are relatively high, since in 2009 they reached over EUR 152 000.

As stated, three tax years were selected for calculation of tax expenditure relating to personal income tax: 2006, 2008 and 2009. The principle reason for selecting 2006 was because the allowance regime changed, primarily in relation to the existence of non-standard allowances, while 2008 and 2009 were selected as two successive years, in which no significant differences were made to allowances. As stated above, the 2010 data was not yet available at the time of writing. A problem that occurs in evaluating tax expenditure is that taxpayer data is confidential. A precise calculation of tax expenditure would require data on each taxpayer's tax base, the amount of allowances claimed, and the effective tax rate at which their tax base is taxed. Of course, this data is not accessible, therefore the evaluation of tax expenditure for income tax was calculated by first determining for each tax bracket the difference between the tax base before allowances are claimed (Tax Base I) and the base after allowances are claimed (Tax Base II). Tax Base II was then compared to the income tax collected in order to define the effective tax rate for an individual tax bracket. The tax expenditure was evaluated separately for each tax bracket using the product of the difference between the two bases (II and I) and the effective tax rate. Since the pension allowance reduces tax, the entire sum of allowances claimed within an individual tax bracket was added to that product. This produced the evaluated tax expenditure for personal income tax.

It was simpler to evaluate corporate income tax expenditure, since all allowances reduce the base, and the tax rate is proportional. Again in this case, the full data on individual taxpayers was not accessible, however aggregate figures for individual tax allowances in an individual were available. The sum of all allowances that reduce the base were multiplied by the relevant tax rate to produce an evaluation of the tax expenditure for that tax. In that case, three successive years were selected, since the types and level of allowance did not change significantly during the period before that. Over the period studied, the tax rate changed which had a major influence on the level of tax expenditure.

3.2 RESEARCH RESULTS ON PERSONAL INCOME TAX

The breakdown of claimed allowances reveals the predominance of the general allowance, which is available to all taxpayers (except dependent family members, i.e. students who have decided to submit an independent income tax return). The general allowance represented over 90% of the allowance total in 2006, and over 96% in 2008 and 2009, when non-standard allowances were cancelled. The allowance for temporary student work was also significant, while all other allowances together constituted less than 1% of the total.

As indicated in Table 3, the claimed allowance total increased compared to 2006 in the later observed tax years, which is largely the consequence of an increased general allowance and additional general allowances for people on low incomes. According to the methodology set out in the preceding sub-chapter, the amount of tax expenditure was evaluated and was highest in 2008 when residents' income was higher, since at that time Slovenia had yet to experience the consequences of the economic and financial crisis, which were subsequently seen in the returns for 2009 as unemployment began to increase. This provides a relatively low value for tax expenditure, as it does not cover 0.5% of collected income tax. The reason for, in part, is that it involves tax allowances or relief that reduces the tax base, while a second reason

is that the taxpayer structure in Slovenia is such that the majority fall within the first income tax bracket, where the tax expenditure total is highest. Allowances therefore contribute to the redistributive function. In 2006 the structure was somewhat different due to the 5 tax brackets, since 56.3% of taxpayers came within the first bracket, while only 0.7% of taxpayers fell within the fifth (Ministry of Finance, 2011). The proportion of tax expenditure linked to the first tax bracket (compared to total income tax expenditure) was 36.5%, with only 2.7% of total tax expenditure linked to the fifth bracket. In 2009, 58.2% of taxpayers fell within the first tax bracket, 26.9% in the second and 14.9% in the third (Ministry of Finance, 2011). If one analyses the tax expenditure per taxpayer in each tax bracket, one again finds that the proportion of total tax expenditure is highest in the first tax bracket, representing 45% of total tax expenditure, compared to 25% for the final three brackets. The situation was similar in 2008. A comparison of the average amount of tax expenditure per taxpayer indicates that the amounts were almost the same in the first and second income tax brackets in 2008 and 2009 and lower in the second bracket. The average tax expenditure per taxpayer also increases due to a higher tax rate. In 2006 the average value of tax allowance reduction per taxpayer grew, since taxpayers with a higher base could claim a higher allowance, using the non-standard allowances which were set as a percentage of the base. The non-standard allowances therefore reduced the redistributive effect of progressive taxation.

Table 3

Personal income tax allowance structure, total value of allowances and total tax expenditure for 2006, 2008 and 2009 (in %)

| | 2006 | 2008 | 2009 |
|---|--------|--------|--------|
| Allowance for over-65s | 0.005 | 0.003 | 0.003 |
| Allowance for disabled people | 0.001 | 0.001 | 0.001 |
| Allowance for voluntary pension insurance | 0.001 | 0.001 | 0.001 |
| Allowance for dependent family members | 0.038 | 0.031 | 0.032 |
| General allowance | 91.507 | 96.079 | 96.513 |
| Allowance for student work | 4.106 | 3.575 | 3.123 |
| Allowance for cultural workers, journalists and sports-people | 0.342 | 0.307 | 0.324 |
| Pension allowance | 0.006 | 0.004 | 0.003 |
| Non-standard allowances | 0.007 | - | - |
| Total value of allowances, EUR billion | 3.00 | 3.81 | 3.77 |
| TOTAL tax expenditure, EUR million | 882.88 | 924.86 | 919.46 |

Source: Internal TARS data, 2011 and own calculations

3.3 RESEARCH RESULTS FOR CORPORATE INCOME TAX

The calculation of tax expenditure for corporate income tax was also estimated using aggregated data for that tax. Table 4 gives a breakdown of tax allowances claimed compared to the total value of allowances, and tax expenditure with regard to the appropriate tax rate in each tax year. The investment allowance was the largest allowance by value. An increase in the R&D allowance was observed in 2010. New allowances also contributed to an increase in allowance value in 2010. Nevertheless, the effects of the economic crisis started to be seen that year, with a reduction in the value of allowances for employment, grants and pension insurance being observed. The total value of allowances for each year was approximately EUR 1 billion. Despite the increase in some allowances, the total value did not rise in 2009 and 2010, a result of course of the poorer business performance in those years. This led to a

decrease in tax expenditure, despite the fact that the tax rate was reduced by one percentage point each year.

Table 4

Corporate income tax allowance structure, total value of allowances and tax expenditure, 2008-10 (in %)

| | 2008 | 2009 | 2010 |
|--|---------------|---------------|---------------|
| Investment allowance | 58.1 | 57.3 | 56.9 |
| R&D allowance | 4.7 | 4.6 | 8.0 |
| Allowance for employee participation in profit | - | - | 5.8 |
| Allowance for employment of disabled people | 6.7 | 6.2 | 0.1 |
| Allowance for practical work as part of professional education | 0.1 | 0.1 | 7.5 |
| Allowance for voluntary supplementary pension insurance | 8.0 | 8.3 | 1.6 |
| Grant allowance | 2.1 | 2.1 | 0.3 |
| Employment allowance | - | - | 0.01 |
| Allowances for Pomurje region | - | - | 0.6 |
| TOTAL value of allowances, EUR billion | 1.29 | 0.99 | 1.07 |
| TOTAL tax expenditure, EUR million | 288.67 | 209.19 | 213.43 |

Source: Internal TARS data, 2011 and own calculations

The fact that the total tax expenditure and total allowance value reflects poorer economic performance is supported by the calculation of the ratio of tax expenditure to collected tax, since tax expenditure in 2008 represented only 22.8% of collected tax, while in 2010 it was up to 47.6% of collected tax (29.4% in 2009). The importance of tax allowances for businesses is also evident from a comparison of the claimed allowances and total subsidies from central and local government to the economy. In 2008 the value of subsidies to the economy was three times lower than the total of claimed allowances, while in 2010 it was half the total. Following the increase in subsidies in 2009, central government subsidies were lowered again in 2010.

4 CONCLUSION

In Slovenia neither the Ministry of Finance nor the Tax Administration calculate tax expenditure for specific taxes. In most cases of changes to legislation, only estimates of the reduction or increase in inflows to the budget the amendments will case are calculated. This analysis of tax allowances and tax expenditure is therefore the first evaluation of its kind in Slovenia. Only limited, largely aggregated personal and corporate income tax data was available, which was the main limitation of this study.

However, the estimated value is probably a good approximation of the actual figure and suitable for large-grain international comparisons, for analysing income redistribution from personal income tax in particular, analysing the importance of specific allowances for both taxes, as well as offering adequate data for managing appropriate tax policy.

The study found that tax expenditure for personal income tax was relatively low compared to the collected tax, and practically negligible as a percentage of GDP, while the relative proportion of tax expenditure for corporate income tax fell, largely as a consequence of the economic crisis.

REFERENCES

- Bratić, V. and Urban, I., 2006.** „Tax Expenditures in Croatia“. *Financial Theory and Practice*, 30 (2), 129-195.
- Chambre des représentants de Belgique, 2011.** *Budget des voies et moyens pour l'année budgétaire 2010*. DOC 52 2222/011. Available from: [<http://www.dekamer.be/FLWB/PDF/52/2222/52K2222011.pdf>].
- Commission on Taxation, 2009.** *Review of Tax Expenditure, Part 8*. Commission on Taxation report. Available from: [<http://www.commissionontaxation.ie/downloads/Part%208.pdf>]
- Čok, M., 2007.** “Reforms of the Slovenian Personal Income Tax System”. *Economic and Business Review*, 9(4), 351-362.
- DURS, 2011.** *Spletni portal Davčne uprave Republike Slovenije*. Available from: [<http://www.durs.gov.si/>].
- Huang, C. C. and Sahw, H., 2009.** *New Analysis Shows “Tax Expenditures” Overall are Costly and Regressive*. Center on Budget and Policy Priorities. Available from: [<http://www.cbpp.org/files/2-23-09tax2.pdf>].
- Joint Committee on Taxation, 2011.** *Background Information on Tax Expenditure Analysis and Historical Survey of Tax Expenditure Estimates*. JCX-15-11.
- Klun, M., 2011.** *Davčni sistem*. Ljubljana: Fakulteta za upravo.
- Ministrstvo za finance Republike Slovenije, 2011.** *Osnovni statistični podatki iz odločb odmere dohodnine za leto 2009*. Available from: [http://www.mf.gov.si/fileadmin/mf.gov.si/pageuploads/javne_objave/Statistcnaanaliza2009-DOHODNINA.pdf].
- OECD, 2010.** *Tax Expenditures in OECD Countries*. Paris: OECD.
- Poterba, J.M. 2011.** “Introduction: Economic Analysis of Tax Expenditures.” *National Tax Journal*, 64 (2), 451-458.
- Surrey, S. S. and McDaniel, P. R., 1985.** *Tax expenditure*. Cambridge: Harvard University Press.
- Surrey, S. S., 1973.** *Pathways to Tax Reform 6*. Cambridge: Harvard University Press.
- Toder, E. J. 2005.** *Tax Expenditures and Tax Reform: Issues and Analysis*. Presented at National Tax Association meetings, Miami, Florida, November 19, 2005.
- Zakon o davku od dohodka pravnih oseb.** Official Gazette of the Republic of Slovenia, 40/04 and 117/06.

ANALIZA POREZNIH IZDATAKA U SLOVENSKOM SUSTAVU POREZA NA DOHODAK I DOBIT

MAJA KLUN

FAKULTET ZA UPRAVU, LJUBLJANA, SLOVENIJA

JEL KLASIFIKACIJA: H20

SAŽETAK

Definicije koncepta poreznih izdataka razlikovale su se kroz vrijeme i među zagovarateljima raznih teorija. Analize poreznih izdataka bile su važan element nadzora procesa reforme povezanih s primjenom različitih vrsta poreznih poticaja i vođenjem ispravne porezne politike. Ovaj rad pruža ocjenu poreznih izdataka u sustavu poreza na dohodak i poreza na dobit u Sloveniji. Odabrane su tri porezne godine za izračun poreznih izdataka u okviru poreza na dohodak (2006., 2008. i 2009.), dok su za izračun poreza na dobit odabrane tri uzastopne godine (2008.-2010.). Porezni izdaci izračunati za porez na dohodak bili su najviši 2008. godine, međutim, njihova je razina razmjerno niska za sve tri godine i ne doseže 0,5% ukupnog naplaćenog poreza na dohodak. Porezni izdatak izračunat za porez na dobit bio je viši u usporedbi s naplaćenim porezom i dosegao je 47% u 2010., dok je 2008. iznosio malo preko 22%.

Ključne riječi: porezni izdaci, porezna umanjenja, porez na dohodak, porez na dobit, Slovenija